

THE HUMAN RESOURCE FOCUS IN THE 10TH MALAYSIA PLAN: IS TALENT MANAGEMENT CORP ADEQUATE?

MOHMAD YAZAM SHARIF

JANE TENG YAN FANG

AZHAM MD ALI

*Faculty of Management & Economics
Universiti Pendidikan Sultan Idris (UPSI)*

Abstract

The aim of this paper is to present an analysis of the government's growth machinery called 'Talent Corporation' (TC). Based on the idealism of 'talent management' in organizations, it was envisaged that managing Malaysian talented professionals should be done and should be done systematically. Talent Corp or TC was set up as one of the government tools in the 10th Malaysia Plan (2011 – 2015). The prime focus of the 10th Malaysia Plan (10MP) is human resource or human capital development so as to ensure that the long-term goals of Malaysia's Vision 2020 will be met. With the establishment of TC, the government hopes to attract foreign professionals and professionally qualified Malaysians working overseas to come back and work in Malaysia. At the same time, the government also wants TC to find ways to retain Malaysian talented professionals to remain in Malaysia. The question is whether Talent Corp is adequate to play this crucial role. Interviews were conducted among 15 HR academics to determine whether they viewed the attention given to Talent Corp is justified.

Keywords: Brain drain; human resource management; talent corp; talent management; 10th Malaysia Plan; UPSI; UUM.

Introduction

Malaysia has a superordinate goal known as Vision 2020. This vision was created in 1990 by the then Prime Minister Dr Mahathir Mohamed. Since then Malaysia's economic plans were developed to ensure that the said vision would be accomplished or had a chance to be accomplished. Prior to 2011, there were four 5-year economic plans – the Sixth Malaysia Plan (1991 – 1995); the Seventh Malaysia Plan (1996 – 2000); the Eighth Malaysia Plan (2001 – 2005) and the Ninth Malaysia Plan (2006 – 2010)(Drabble, 2010). For the next five years, the Tenth Malaysia Plan (2011 – 2015), the Tenth Malaysia Plan (TNP) is crucial as it prepares the foundation for the final 5-year plan (2016 – 2020) before the year 2020 arrives. The central key issue to the achievement of the goal of Vision 2020 is the country's human resource (HR)(Malaysia Government, 2010a; 2010b; Zubair, 2007). It was recognized by the Malaysian government that a big portion of its skilful and professionally qualified HR had either chosen to work overseas after their graduation or they had migrated to other countries. This 'brain drain' issue had been recognized by the Malaysian government (Campbell, 2011; Raj, 2010; World Bank, 2010). Now the government wants them back (Raj, 2010)

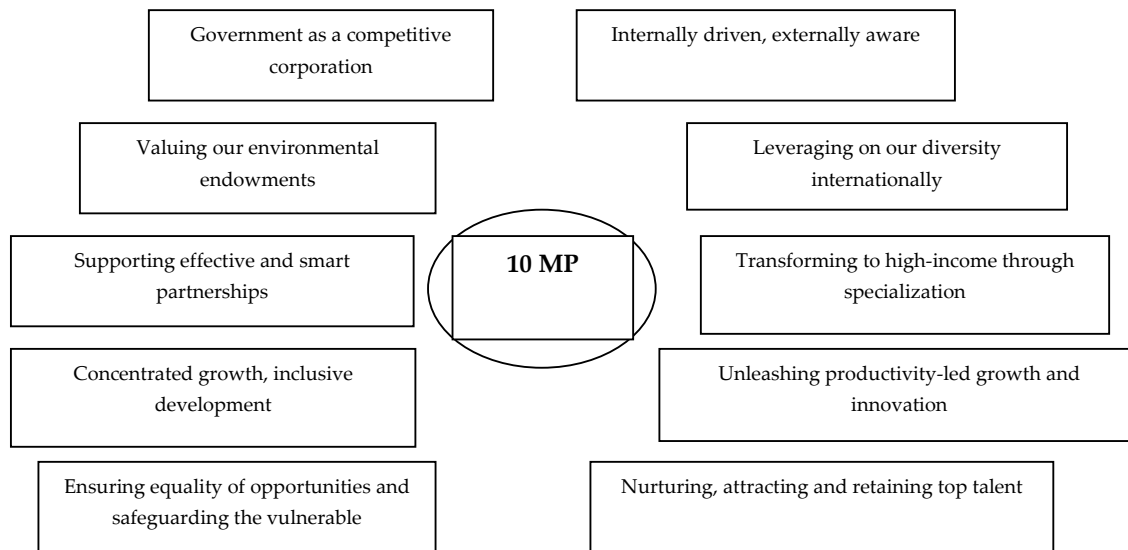
The instrument that was created by the government to entice these foreign-based Malaysians is Talent Corporation (TC). This firm is placed under the Prime Minister's Department and it has been in

operations since January 2011. This paper aims to analyse the adequacy of TC's roles and functions from the perspectives of some HR academics in Malaysia's public universities.

Literature Review

Malaysia's Tenth Year Plan (10 MP) and its Human Resource Focus

Some parties (Lim, 2010; Public Bank Economics Division, 2010) had analyzed the elements found in the Tenth Malaysia Plan document. To increase the per capita income to over US\$12,000 in 2015, the 10MP plans to achieve a 6 per cent per year GDP growth target. To achieve this, the 10MP will revolve around ten main ideas which are showed in Figure 1.



Source. EPU, Malaysian Prime Minister's Department

Figure 1. Ten Big Ideas in the 10th Malaysia Plan

The following description is based on the analysis made by the Public Bank's Economics Division.

1. Being Internally Driven, Externally Aware

The 10MP will implement initiatives to support domestic growth partly by eliminating growth barriers such as government policies and procedures as well as financing in the domestic economy. To drive the competitiveness of the domestic economy, specific policy initiatives including the implementation of Competition Law, review of price controls and advancing liberalisation in the services sector will be pursued. The 10MP will look at regulations to promote greater private investments and private sector activity through availability of funding to micro enterprises, venture capital for innovation and export-related activity.

2. Leveraging on Malaysia's Diversity Internationally

The 10MP will leverage on Malaysia's ethnic diversity and cultural heritage as well as Islam to further enhance the trade and investment linkages with the rest of the world. The Plan will focus on new fast

growing economies in Asia and in the Association of Southeast Asian Nations (ASEAN) through trade promotions and trade agreements, with strengthening trade links with the developed markets and traditional trading partners such as Australia, Europe and the US. Apart from intensifying government-to-government efforts to deepen economic collaboration, the Malaysian Government will support Malaysian companies to be regional champions and in opening new markets.

3. Transforming to High Income through Specialisation

To achieve a high income economy, there is an urgent need for Malaysia's economy to shift from low value added products and services towards higher value add and knowledge intensive activities with greater specialisation in many of the economic sub-sectors. To achieve greater specialisation which will be built on existing strengths and core competencies, the 10MP will focus on 12 economic areas by strengthening their value chains. Also, to increase specialisation, the Government will drive reforms in major enablers for economic transformation along the value chain in the 12 economic areas such as oil and gas, palm oil and related products, financial services, wholesale and retail, tourism, information and communication technology (ICT), education services, electrical and electronic, business services, private healthcare, agriculture and Greater Kuala Lumpur (Greater KL).

4. Unleashing Productivity-led Growth and Innovation

In modern economies, future sustainable economic growth will depend on high productivity, innovation and creativity. To drive productivity-led growth, key initiatives include skills development, promotion of concentrated industrial clusters and quality investment promotion, and public investment in R&D and venture capital. The Government is committed to investing in creativity. Bankruptcy law will be reviewed to support innovation.

5. Nurturing, Attracting and Retaining Top Talent

Top talent is a key driver of a knowledge-based economy. In the 10MP, the initiatives include measures to nurture top talent and motivate teachers. Skills training to increase human capital will be emphasised to drive productivity. Technical and vocational education will be given priority. Efforts will also focus on attracting and retaining top talent by setting a Talent Corporation with a mandate to secure top talent to drive specialised economic sectors.

6. Ensuring Equality of Opportunities and Safeguarding the Vulnerable

The 10MP will continue to focus on growth with equity, but with a fresh approach. The new approach towards establishing a sustainable Bumiputera participation in the economy will be based on market friendly, merit-based, transparent and needs based. To increase income, the Government will focus on uplifting the capacity and income of the bottom 40 per cent of households in Malaysia.

7. Concentrated Growth, Inclusive Development

The focus of the 10MP is to build density, develop clusters and specialise in high value sectors. The Greater KL - a project to further develop the capital city - has been identified as one of the priority areas with major new developments (such as an International Financial District in KL and redevelopment of Sungai Besi airport) and investments in public transportation. Strategies will also be implemented for other major cities in terms of liveability, connectivity and further strengthening localised industrial clusters. While it is said that growth will be concentrated in many cities around

Malaysia, the development of rural areas throughout the country will continue to be pursued.

8. Supporting Effective and Smart Partnerships

To drive economic transformation, the 10MP will pursue smart partnership between the public and private sector. A RM20 billion Facilitation Fund will be established to promote investments in nationally strategic areas. The Government proposes to undertake new privatisation plans and co-invest with the private sector in high growth and strategic areas. The Government will also support the private sector in driving industry development, particularly in human capital development and R&D and also in providing special financing schemes.

9. Valuing Our Environmental Endowments

The focus of the 10MP is to ensure that Malaysia's environmental assets are managed sustainably to reduce waste and inter-generational burden. During the 10MP period, the Government will move towards market pricing of natural resources to encourage conservation and optimum utilisation of natural resources such as water and energy. Key initiatives will include introducing a feed-in-tariff to help finance renewable energy investments, providing funding for green technology investments and promoting projects eligible for carbon credit and eco-tourism.

10. Government as a Competitive Corporation

To ensure the success of the 10MP, the Malaysian Government will attempt to transform and act like a "competitive corporation" based on four principles namely strong culture of creativity and innovation, speed of decision making and execution, value for money and integrity. In the transformation process, the Government will focus on the customer (i.e. the people and businesses), public sector performance, sustainability of public finance (i.e. reduce subsidies, increase efficiency and productivity, broaden tax base, etc.), and right manpower and organisational structure for more efficient public sector delivery.

Overall, it can be said that the Tenth Malaysia Plan (TMP) is again focusing on the human resource dimension of the country's development. According to Haslinda, Raduan & Naresh (2007), the Government has given emphasis to human resource development in previous economic plans. But the issue of talent management in TMP is somewhat new (Raj, 2010; Wong, 2011).

Human Resource Management and Talent Management

Human resource management (HRM) is the process of managing human resources within organizations to achieve organizational goals while talent management is the process of managing selected human resources (Collings & Melahi, 2009; Farley, 2005; Farndale, Scullion & Sparrow, 2010). Increasingly in the management literature, HRM is seen to be focusing more and more on talent management (Ashton, 2005; Bhatnagar, 2007; Barron, 2008; Cappell, 2009; Cunningham, 2007; Deery, 2008; Frank & Taylor, 2004; Ingham, 2006; Lewis & Heckman, 2006; Rappaport, Bancroft & Okum, 2003; Ready & Conger, 2007).

Talent Management and Talent Management Corporation

Talent management should be the domain of HR managers both at the national (macro) level and the organizational (micro) level (Guthridge, Komm & Lawson, 2006; 2008). Since the last twenty years, universities around the world had been churning out qualified HR professionals who can play

strategic roles at national and organizational levels in terms of talent management. However, not all national and organizational leaders seem to realize this fact (Ashton, 2005; Guthridge, Komm & Lawson, 2008). As a consequence, the job of managing organizational and national talents in most instances is being handled by non-HR professionals (Bhatnagar, 2007; Collings & Mellahi, 2009; Frank & Taylor, 2004).

Where Malaysia is concerned, the Government has identified 'talent management' of Malaysian professionals especially for those residing in countries outside Malaysia should be done at the national level (Malaysian Government, 2010b; Wong, 2011). Thus Talent Corporation was established under the Prime Minister's Department to handle the job.

The Malaysian government views that human capital lies at the core of innovation and a productive high income economy. To achieve Malaysia's aspirations, it believes that it is imperative to develop, attract and retain a first-world talent base (Raj, 2010). When tabling the 10th Malaysia Plan (10MP) in Parliament, YAB Prime Minister announced the setting up of Talent Corporation (TC) to identify shortages in key sectors and attract and retain the necessary skilled human capital (Raj, 2010; Wong, 2011). The agency's board of trustees comprise the Malaysian Prime Minister Dato' Seri Mohd Najib, Tan Sri Nor Mohamed Yakop and Dato' Sri Idris Jala, Ministers in the Prime Minister's Department and Tan Sri Sidek Hassan, the Chief Secretary to the Government. The chief executive officer (CEO) of TC is Mr Johan Mahmood Merican, an experienced manager who had previously served the government service and also the private sector. He is a Chartered Accountant and also holds a first class honours degree in Economics from the University of Cambridge, United Kingdom. Overall, it can be said that from the macro level perspective, the Malaysian government has selected the right people at the top in terms of policy making and monitoring the activities of TC so as to ensure it is operating on the right track.

Talent Corp probably has its own reasons as to why it has identified 70,000 people from 800,000 Malaysians working abroad and 1.4 million others who have emigrated since 1960 (Raj, 2010: 12). Some researchers (Raj 2010; Wong, 2011) had commented that hopefully this decision was made on sufficient research and not just an estimate.

Research Method

Berg (2004) views that qualitative study is as useful in producing substantive research results as the widely used quantitative approaches (such surveys and experiments). There several qualitative methods such as case study, phenomenology, action research, grounded theory, ethnography and in-depth interview. This study had chosen the in-depth interview method. The interview method can be done either face-to-face or by telephone. Because of time constraint, the researchers had decided to use the telephone interview to those who were willing to participate in the study. Each interview took between ten to fifteen minutes. The interviewees comprised 15 academics from Universiti Utara Malaysia (UUM) of Sintok, Kedah and Universiti Pendidikan Sultan Idris (UPSI) of Tanjong Malim, Perak.

The interview protocol used comprised ten basic open-ended questions (Table 1).

Table 1

List of the Interview Open-Ended Questions

No.	The Questions
1	What to you is 'talent management'?
2	Do you know that the Malaysian government has set up an agency called 'Talent Corporation'?
3	Under which Ministry do you think it is located?
4	When is it operational (take a guess if you do not know)?
5	Do you know the roles and functions of Talent Corporation?
6	In your view, are the functions adequate and suitable to the needs of Malaysia's economy?
7	If the functions of Talent Management are inadequate, what else, do you think it should be doing?
8	One of the prime objectives of Talent Corporation is to attract Malaysians working overseas and foreign professionals to come (or come back) and work for Malaysia (whether in firms or government agencies). Do you think the government is right in this effort or should the government be doing something else?
9	Should the Malaysian government expand the scope of work for Talent Corporation (apart from No. 8)?
10	Should the Malaysian government set up another agency to cover the management of talent of Malaysians within Malaysia (rather than focusing too much on attracting Malaysians working overseas) to help the country develop further?

Results**The Interviewees**

There were 15 academics who were willing to participate in the study. The breakdown of these interviewees is in Table 2.

Table 2

The Breakdown of the Interviewees

No.	Participant Code	Qualification	Specialization	Institution	Work Experience
1	A	Masters	Management	UPSI	5 years
2	B	PhD	Educational Administration	UPSI	28 years
3	C	Masters	Business	UPSI	5 years
4	D	PhD	HRD	UPSI	10 years
5	E	PhD	HRD	UPSI	10 years
6	F	PhD	HRM	UUM	25 years
7	G	Masters	HRM	UUM	30 years
8	H	PhD	HRM	UUM	10 years
9	I	PhD	HRM	UUM	10 years
10	J	PhD	HRM	UUM	15 years
11	K	PhD	HRM	UUM	10 years
12	L	PhD	HRM	UUM	11 years
13	M	PhD	HRM	UUM	10 years
14	N	PhD	HRM	UUM	15 years
15	O	PhD	HRM	UUM	10 years

Table 2 shows that a majority of the interviews had PhD degrees in human resource management (HRM) while two had masters' degrees. Out of the 15 interviewees, five were from UPSI while ten were from UUM. The interviewees' work experiences ranged from five to thirty years. These background implied that the interviewees were the right people to make comments on the roles of Talent Corporation.

Overall Results

All the interviewees seemed to understand the meaning of 'talent management'. Generally they agreed that talent management has something to do with "managing employees who have specific knowledge and skills who can help in the achievement of an organization or national goals".

70 per cent of the interviews seemed to concur that the setting up of Talent Management Corporation was a good initiative by the Malaysian government. But the focus on attracting foreign-based Malaysian professionals was not right. The agency should focus more on enlightening and retaining local graduates from going to work overseas.

A lot of incentives are promised to these professionals if they were to return to work in Malaysia. They wondered whether if it is really worth it because these professionals left the country due to personal reasons and it will be very difficult to entice them back. They questioned on how many people abroad have attained any special research qualification to their names.

The majority of the interviewees viewed that the Malaysian government should be looking inward at our own backyard (inside Malaysia itself) and explore the idea of 'brain waste'. Some claimed that there are many PhD degree holders from eminent universities who are working inside Malaysia and who are rotting in jobs which cannot promise them any growth opportunity. They are doing routine jobs and have not been given any increment or promotion befitting their qualifications. Such is the waste of talent. It is high time that the Government and its agencies conduct a quick in-depth survey of these forgotten people and work out a plan to utilize their expertise for national benefit. Malaysia should not brain gain outside of Malaysia. They viewed that these "lost scientists" will contribute in abundance to the scientific development of Malaysia if they were given the chance. This method will be much cheaper than trying to get people to return home to work from abroad. It may be a project suitable for the Talent Corporation to take up.

Conclusion

The respondents or interviewees who participated in the study generally agreed that the Malaysian government's effort in setting up the Talent Corporation should be lauded and applauded as talent management is the direction to follow in managing the country's human resources at macro and micro levels. However, the focus of Talent Corp for now is inadequate. How to correct this? The government should realized that the concept of 'talent management' was created and developed by human resource (HR) academics which has been in the literature for at least twenty years. Thus the government and the senior management of Talent Corporation should include these HR academics who are based in both Malaysian public and private universities in their implementation programmes. This will ensure that Talent Corporation is moving forward based on sound foundation as well as based on meticulous research. It was known nationally and internationally that Malaysia is good at planning but not so good in implementing the plans concerned (Raj, 2010; Wong, 2011). This phenomenon should not be repeated in future. Thus getting the right people to be involved in Talent Corporation is critical in its success. Talent attraction is a difficult task but talent retention is more difficult (Sunita, 2010). As such Talent Corp needs every help that it can get. But getting help from people with right expertise, especially the thinkers, is of paramount importance.

Limitations of The Study

This study is exploratory in nature and is not yet conclusive as it is based on the views of just 15 academics. However, it does provide some indications on the concerns of academics on the directions taken by the government and Talent Corporation.

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